

Message Text

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ACTION TRSE-00

INFO OCT-01 EUR-12 ISO-00 EB-08 AID-05 OIC-02 IO-13
CIAE-00 COME-00 FRB-03 INR-10 NSAE-00 ICA-11
XMB-02 OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05
/083 W

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R 111510Z SEP 78
FM AMEMBASSY THE HAGUE
TO SECSTATE WASHDC 3343

LIMITED OFFICIAL USE THE HAGUE 5036

E. O. 11652: N/A
TAGS: EFIN, NL
SUBJ: DUTCH POSITION AT IMF/WORLD BANK ANNUAL MEETING

REF: A) STATE 203590, B) THE HAGUE 4658, C) THE HAGUE 3908,
D) THE HAGUE 4057, E) THE HAGUE 4587

1. MINISTRY OF FINANCE HAS INFORMED EMBASSY THAT DUTCH
DELEGATION WILL SUPPORT DE LAROSIERE PACKAGE OF PROPOSALS AT
IMF MEETING. WHILE NOT PLEASED WITH EVERY ASPECT, THE DUTCH
BELIEVE THE PACKAGE AS A WHOLE WILL ACHIEVE IMPORTANT GOALS
INCLUDING CONTROLLED LIQUIDITY CREATION. SPECIFICALLY, GON
VIEWS ON THREE MAIN ASPECTS OF DE LAROSIERE PACKAGE ARE AS
FOLLOWS:

(1) PROPOSAL TO EXPAND QUOTAS 50 PERCENT (WITH 25 PERCENT OF
INCREASE TO BE PAID IN SDRS) - DUTCH BELIEVE 50 PERCENT FIGURE
IS PERHAPS SLIGHTLY HIGH, BUT THEY CAN ACCEPT IT IN CONJUNCTION
WITH OTHER ASPECTS OF PROGRAM.

(2) PROPOSAL TO RAISE THE AMOUNT OF SDRS BY FOUR TO SIX
BILLION SDRS - DUTCH FEEL SDR AMOUNT SHOULD BE INCREASED BY
NO MORE THAN FIVE BILLION SDRS AND WOULD PREFER A LESSER AMOUNT.

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(3) PROPOSAL TO LOWER PROPORTION OF SDR DENOMINATED LOANS
REPAYABLE IN DOLLARS FROM 30 PERCENT TO 15 PERCENT WHILE RAISING
INTEREST RATE FROM 60 PERCENT OF AVERAGE INTERNATIONAL CAPITAL
MARKET RATE TO 80 TO 90 PERCENT -- DUTCH CAN ACCEPT THIS
PROPOSAL.

2. MINISTRY OF FINANCE OFFICIAL STRESSED THAT GON HOPES U.S.

DELAY IN RATIFYING WITTEVEEN FACILITY WILL NOT AFFECT U.S.
CONSIDERATION OF DE LAROSIERE PACKAGE. DUTCH BELIEVE IT
IMPORTANT THAT AGREEMENT ON THIS PACKAGE BE REACHED SOON AND
FEAR THAT, WITHOUT U.S. BACKING, IT WOULD FAIL.

3. DUTCH FINANCIAL COMMUNITY HAS BEEN SURPRISINGLY UNIFIED
IN ITS EXPRESSED SKEPTICISM TOWARD EUROPEAN MONETARY SYSTEM
PROPOSALS TO DATE (REFTELS C, D, AND E). MEMBERS OF THE DUTCH
IMF DELEGATION (REF B) COULD GIVE U.S. DELEGATION A GOOD
UP-TO-DATE ASSESSMENT AND REVIEW OF DUTCH POSITION.
JOSEPH

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SDR, BANKS, MEETINGS, FOREIGN POLICY POSITION, LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 sep 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978THEHA05036
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780370-1075
Format: TEL
From: THE HAGUE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780979/aaaacnvt.tel
Line Count: 73
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 1b7ce852-c288-dd11-92da-001cc4696bcc
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 203590, 78 THE HAGUE 4658, 78 THE HAGUE 3908
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1477323
Secure: OPEN
Status: NATIVE
Subject: DUTCH POSITION AT IMF/WORLD BANK ANNUAL MEETING
TAGS: EFIN, NL, IMF
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/1b7ce852-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014